GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:96
ANSWERED ON:25.07.2003
LOAN BURDEN OF STATE GOVERNMENTS
AVTAR SINGH BHADANA;BHERU LAL MEENA

Will the Minister of FINANCE be pleased to state:

(a) whether several State Governments/UTs have taken loan from market during the lasttwo decades and are due for repayment alongwith penal rate of interest;

(b) if so, the details thereof, State/UT-wise alongwith their repayment schedule;

(c) the States who have not fully repaid their loans and if so, the reasons therefor;

(d) the outstanding loans as on date in each State/UT; and

(e) the efforts made by the Government to reduce the loan burden of the States?

Answer

FINANCE MINISTER (SHRI JASWANT SINGH)

(a) to (e): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.96 FOR ANSWER 25th July,2003 REGARDING LOAN BURDEN OF STATE GOVERNMENTS.

(a) to (c): State Governments are allowed to raise market loans under the scheme of financing of their Annual Plans approved by the Planning Commission. All such market loans, which are raised for the State Governments by the Reserve Bank of India (RBI), are serviced and are repaid on maturity by RBI. The question of default and penal interest rate does not, therefore, arise.

(d): A statement indicating outstanding loans against States/ Union Territories, as on 31st March,2003, is enclosed.

(e): Government of India has formulated a Debt Swap Schemewhich enables States to pre-pay high cost Government of India loans to the State Governments, bearing coupons of 13% and above, with low coupon bearing Small Savings and Open Market Loans, over a three year period ending 2004-05. Further, Government of India has put in place a framework for Medium Term Fiscal Reforms Programme (MTFRP) in States till 2004-05, which is being implemented by the States. The State -wise fiscal reforms programmes aim at bringing down debt to sustainable levels. Government of India has also issued instructions for streamlining of borrowings by States under Article 293(3) of the Constitution, within the contours of the MTFRP of the States.

Statement showing details of outstanding loans against State Governments/ Union Territories, relating to Ministry ofFinance/ Ministry of Home Affairs, as on 31.03.2003

(Rs. in crores)

Sl.No.	State	Loans outstanding as on 31.03.2003
1	Andhra Pradesh	16465.96
2	Arunachal Pradesh	404.17
3	Assam	2950.79
4	Bihar	10244.75
5	Chattisgargh	2636.00
6	Goa	730.29
7	Gujarat	14547.28
8	Haryana	4440.03
9	Himachal Pradesh	2253.50
10	Jharkhand	3345.31
11	J&K	2871.07
12	Karnataka	10152.12
13	Kerala	5386.44
14	Madhya Pradesh	7740.45
15	Maharashtra	21541.11

16	Manipur	379.04
17	Meghalaya	325.48
18	Mizoram	239.92
19	Nagaland	331.06
20	Orissa	7247.97
21	Punjab	7205.10
22	Rajasthan	8396.92
23	Sikkim	202.48
24	Tamil Nadu	10334.19
25	Tripura	604.82
26	Uttaranchal	992.01
27	Uttar Pradesh	27741.12
28	West Bengal	21993.62

Total 191703.00

Union Territories

1	Pondicherry	1112.98
2	NCT of Delhi	11352.59